

ADVANCING
WASHINGTON'S INTERESTS

BUSINESS AND FINANCE

EDITED BY
WILLIAM M. CONRADS. A. Business Is Good
Cables Tell Hoover

Improved financial and economic conditions in South America and a more general tone of optimism during the past month were reported to the Commerce Department yesterday in cabled advices from its representatives to the Southern republics.

The situation in Argentina continues to show improvement, according to the Buenos Aires report, with exchange unaffected by recent loans. Both imports and exports were said to be decreasing in volume, while increase in imports from Germany was noted with a corresponding decrease in those from the United States. Foreign capital now coming into the country, the report added, was directed largely to investments in petroleum developments.

Although the Brazilian market is improving slowly, the general tone there is strong and sales are increasing, according to the Rio de Janeiro cable to the department.

The success of the recent American loan was declared to have made a good impression, and the tendency to be toward easier money. Although export business has fallen off on account of the depression in the European markets, the report said, the majority of the factories at Rio de Janeiro and Sao Paulo were working full time.

Prospects of an immediate revival of trade in Chile are not promising, the Santiago report asserted, but the improved feeling evident in September has continued through October. Political conditions, the report said, though disturbing, were not such as would seriously affect foreign and domestic commerce, while labor conditions, which have been unsettled, have greatly improved.

The situation in Peru has improved, the Lima cable said, with outstanding commercial and financial factors the proposed loan of \$50,000,000 guaranteed by the customs receipts, which will be under American supervision, and the establishment of a National Bank of Issue. British interests are negotiating an important railway concession in Peru, the cable added, but the contracts have not yet been signed.

Little change in Mexican conditions was reported from Mexico City. While business there was said to continue dull. It was described as more healthy, although the attitude of merchants in refusing to accept lesser margins of profit was declared to be retarding the necessary readjustment.

FINANCE
AND
BUSINESS

By E. C. FORBES.

A young clerk, who has since become a millionaire, adopted this plan for saving money: I give it in his own words:

"I started each new year by fixing the sum I would have during the year. I set the amount fairly high, so that saving it would mean that I must live carefully and economically. One year, for example, I decided to buy a \$1,000 bond.

"I paid down \$100 in cash, borrowed the balance from the bank, and repaid \$75 every month. That \$75 was the very first thing I paid on receiving my salary. What was left had to last me the whole month. When December came I owned the bond.

The man who did this was and is James B. Forgan, head of a leading bank in Chicago and universally recognized as one of the ablest bankers in America.

Reason for Recording. This is recorded here because the present is an ideal time for investing in bonds and for adopting Mr. Forgan's plan.

Why? Because, in addition to every other reason, all indications are that good bonds purchased now will increase substantially in market price.

Rarely has there been a time when investment bonds could be so confidently recommended from the point of view of prospective advances in quotations.

The upward movement, as a matter of fact, is already under way. But it promises to go a good deal farther and to embrace a wide range of securities. So far, the most notable improvement has been in Liberty bonds and in such like obligations. But railway bonds and high-grade industrial issues should participate substantially from now on.

Idle money is being piled up in this country at a rate and to a height which cannot possibly continue much longer. The reserve ratio carried by the Federal Reserve banks is above 70 per cent. After allowing the 35 per cent which the law requires to be carried against deposits, the reserve now carried against notes in circulation is no less than 96 per cent. There is absolutely no need for hoarding funds to this extent.

Money Rental Rates.

Rental rates for money have declined materially from last year's high figures. Loans secured by Stock Exchange collateral are now quoted at 5 1/2 to 5 3/4 per cent; commercial paper of the best grade ranges from 5 1/2 to 5 3/4 per cent; the Federal Reserve discount rate is now as low as 4 1/2 per cent, and day-to-day loans have fluctuated all the way from 4 to 6 per cent. Very significant is the lowering of the interest allowed on Treasury certificates to a minimum of 4 1/2 per cent.

Now that such rates are quoted, the days of the 8 per cent bond are numbered. Even 7 per cent is no longer paid by the best corporate borrowers, while gilt-edged obligations carrying special privileges are now down to the neighborhood of 4 to 6 per cent.

Invest Now. Any person who has saved either a little or a lot of money should not let the present opportunity to invest on extremely attractive terms pass, because the probability is that such a chance to obtain high returns on one's money will not come along again in a hurry. If, indeed, it comes again to the present generation. Thoroughly trustworthy bonds can be selected today to yield anywhere from 6 to 7 per cent, and in some cases even more.

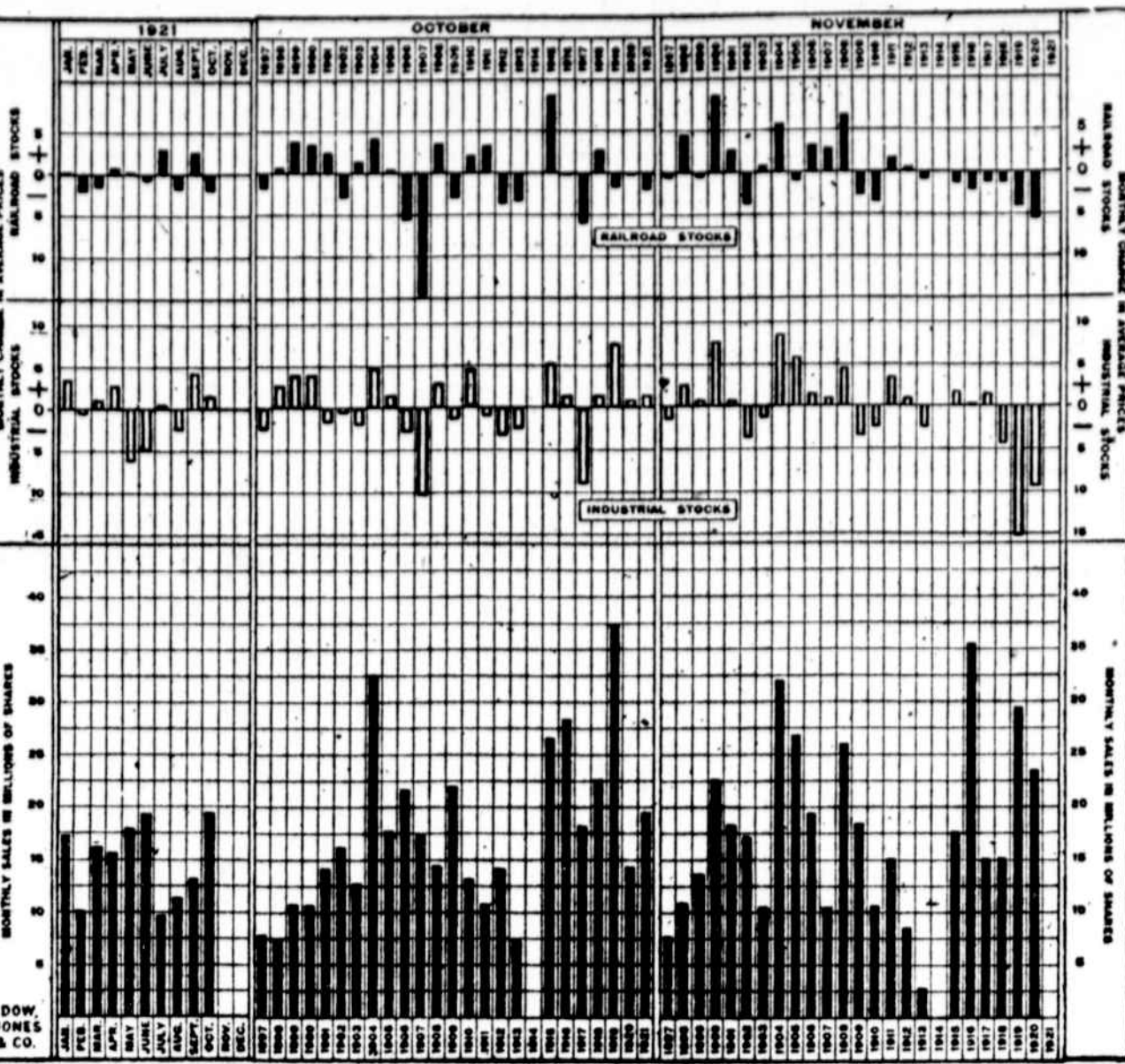
Contrast this with the meager income obtainable on gilt-edged bonds twenty years ago: Harris, Forbes & Co. of New York are reproducing an advertisement they published exactly twenty years ago giving a list of municipal investments which carried yields ranging mostly from 2 1/2 to 3 1/2 per cent, with not a single bond on the list yielding as high as 4 per cent.

Small investors should give immediate consideration to the advisability of buying bonds right now. Many desirable bonds can be purchased in \$500 units, in \$100 units, and some in \$50 units.

Then, too, \$1,000 bonds can be purchased—on the smaller bond—on the installment plan. Any person who has saved as much as \$100, and who can arrange to pay a very moderate amount each month, can invest in bonds.

(Copyright, 1921, by E. C. Forbes.)

COURSE OF STOCK MARKET

WEEKLY BANK STATEMENT
Twelve Federal Reserve Banks Combined.

	This Week.	Last Week.	Year Ago.
Ratio of total reserves to deposit and F. R. note liabilities combined.	71.0%	70.8%	48.0%
Ratio of gold reserves to F. R. notes in circulation after setting aside 35% against deposit liabilities.	97.0%	96.7%	47.0%
RESOURCES.			
Gold and gold certificates—Nov. 5, 1921	\$458,468,000	\$448,280,000	\$171,702,000
Gold settlement fund—F. R. Board	502,647,000	496,111,000	417,981,000
Gold with foreign agencies	661,115,000	644,281,000	77,511,000
Gold held by F. R. agents	1,708,670,000	1,729,700,000	670,200,000
Gold Redemption Fund	130,472,000	112,058,000	179,127,000
Total gold reserves	2,890,257,000	2,786,239,000	2,001,673,000
Legal tender notes, silver etc.	145,414,000	150,909,000	168,056,000
Total reserves	2,935,671,000	2,937,148,000	2,169,729,000
U. S. bonds discounted	453,501,000	461,886,000	1,215,101,000
Secured by U. S. Gov't obligations	806,929,000	846,863,000	1,611,724,000
All other	87,501,000	62,326,000	299,769,000
Total bills on hand	1,347,931,000	1,371,075,000	3,128,594,000
U. S. certificates of indebtedness	36,331,000	33,207,000	26,334,000
One-year certificates (Pittman Act)	144,875,000	149,875,000	259,375,000
All other	19,822,000	7,864,000	8,672,000
Total earning assets	1,549,459,000	1,562,021,000	3,421,675,000
Bank premises	31,345,000	31,020,000	16,981,000
5% redemption fund against F. R. bank notes	8,038,000	8,099,000	12,059,000
Uncollected items	558,328,000	540,067,000	786,844,000
All other resources	18,684,000	16,560,000	7,148,000
Total resources	5,111,523,000	5,094,915,000	6,413,436,000
LIABILITIES.			
Capital paid in	\$103,020,000	\$103,007,000	\$97,824,000
Surplus	213,824,000	213,824,000	164,745,000
Reserve for Gov't Franchise Tax	34,926,000	33,938,000	
Deposits	59,917,000	46,917,000	47,378,000
Government	46,917,000	46,917,000	47,378,000
Member banks—reserve account	1,650,746,000	1,669,059,000	1,777,256,000
All other	31,675,000	22,873,000	26,924,000
Total deposits	1,742,338,000	1,738,859,000	1,851,557,000
P. R. notes in actual circulation	2,408,125,000	2,408,779,000	3,354,180,000
F. R. bank notes in circ.—net, lib.	84,980,000	88,024,000	214,333,000
Deferred availability items	481,623,000	456,044,000	631,326,000
All other liabilities	23,585,000	22,743,000	90,271,000
Total liabilities	5,111,523,000	5,094,915,000	6,413,436,000

Prosperity Must Be
National, Says Meyer

"There can be no sectional prosperity," said Eugene Meyer, jr., director of the War Finance Corporation, in New York yesterday.

"No one part of the country can be prosperous while others are in the doldrums.

"Prosperity must be national. The agricultural community affords the greatest market for the industrial products, while the industrial centers are the natural market for agricultural products."

Mr. Meyer, who is directing the financial relief work of the War Finance Corporation, recently returned from a survey of the West.

He states he is much encouraged by what he learned and believes that the relief being afforded to the livestock industry by the War Finance Corporation will exert a powerful influence in bringing about countrywide prosperity.

Everything in the West ultimately depends upon the livestock and farming industries, Mr. Meyer pointed out, so that if they are not prosperous the rest of the country naturally suffers.

Steps are being taken to relieve the pressure on the farmers due to the constant decline in grain prices. A committee has already been organized to undertake a campaign to steady the corn market and relieve the farmer from the burden of constantly lowering prices.

He was much impressed with the broadening tendency of the general investment situation and stated that he expects to see the investment demand spread to agricultural issues shortly. He added:

"The farming and livestock industry must be assisted in the financing in order that the manufacturing interests may have a market for their output."

Great progress is being made in the movement to send livestock back from the stockyards to the farms for fattening. This will not only be of great assistance to the livestock industry, but will use up a good part of the surplus corn stocks.

Mr. Meyer strongly advised the conservation of whatever grain surplus now existed, stating:

"History shows emphatically that years of good crops do not continue long. We have experienced two years of satisfactory crops so that it would be well to conserve all the surplus stocks of corn and other grain."

INVESTORS SERVICE

If you have an investment problem, The Times will be glad to aid you. Write us fully, enclosing stamped, addressed envelope for reply, and address the Financial Editor.

Doesn't Know Just What to Buy. B. R., New York Avenue—A friend of mine advises me to buy a New York Interborough Rapid Transit refunding bond, due 1966, for about \$540.

Another friend advises me to invest in Lackawanna Railroad and United Fruit stocks. What are these paying?

Answer—And we find it even more difficult to know what you should buy, as you make the common mistake of not telling us the amount you desire to invest.

Inasmuch as you indicate that you are able to buy an Interborough bond, we assume that you have somewhere between \$550 and \$600.

We should say a purchase of either five shares of United Fruit, paying 8 per cent and yielding 7 1/2 per cent, or five shares of Lackawanna, Lackawanna & Western (par \$50), paying 12 per cent of \$6, yielding 5.60 per cent, will be more desirable than Interborough Rapid Transit bonds, yielding about 10 per cent and paying the interest only by the skin of its teeth.

Of the three propositions we favor United Fruit.

8 States Get \$550,000

For Loans To Farmers

The War Finance Corporation yesterday distributed among bankers of eight States \$552,750 in Government loans for farmers to aid orderly marketing of agricultural products.

The corporation's advances were given to bankers in Nevada, Iowa, Nebraska, South Dakota, Texas, Georgia and North Carolina.

An additional Government loan to finance exports of tobacco was made to financial institutions in North Carolina.

GOOD NEWS
FOR
German Bond Holders

GERMAN LINE TO RESUME. BREMEN, November 3.—The North-German Lloyd Steamship Company announces the resumption of direct communications with the United States in January, when the New York agency, in the charge of former Director Helms, will be re-established. Steamer service will begin in January—From Washington Star, November 4.

BUY
German Bonds

Now before the mark advances on the signing of the Peace Treaty with Germany and adjustment of Germany's finances is made

WE RECOMMEND North German Lloyd 4 1/2% German Gen. Electric 4 1/2% Krupp 5% German Municipals Hamburg 3% Greater Berlin 4% Mannheim 4 1/2% Düsseldorf 4% Essen 4 1/2% Bremen 4 1/2% And others.

At present prices these bonds will cost investors \$7 to \$15 per bond of 1,000 marks.

We are Specialists in German Bonds

Foreign Exchange Drafts on German Banks and banks of other European countries wanted.

Call, Write or Phone Us.

BUCK & CO.

Listed and Unlisted Securities, 312-13 Evans Building

Phone Main 5673-5825, Washington, D. C.

Washington Stock Market

Business of 1921 Up to and Including November 4.
Furnished by W. B. Hibbs & Co.

BONDS			
40,000	Potomac Electric Power gen. mort. 7 1/2%	100	100%
18,000	Ana. & Pot. River R. 5 1/2%	82	75
13,000	C. & P. Telephone 1st 5 1/2%	90	90
271,500	Capital Traction 1st 5 1/2%	86 1/2	90 1/2
8,000	City & Suburban Rwy. 1st 5 1/2%	62	70
73,000	Georgetown Gas Light 1st 5 1/2%	70	74 1/2
24,000	Metropolitan R. R. 1st 5 1/2%	92	93
48,000	Potomac Electric Power 1st 5 1/2%	88	89 1/2
144,000	Potomac Electric Power cons. 5 1/2%	79	86 1/2
38,000	Potomac Electric Power deb. 6 1/2%	91	95 1/2
178,400	Potomac Electric Power gen. 6 1/2%	91	95 1/2
2,900	Wash. Alex. & Mt. Vernon 5 1/2%	40	40
133,200	Wash. Gas Light gen. 5 1/2%	73	82 1/2
827,000	Wash. Rwy. & Elec. cons. 4 1/2%	67 1/2	67 1/2
114,500	Wash. Rwy. & Elec. gen. 6 1/2%	90	95
170,100	Washington Gas 7 1/2%	100 1/2	100
MISCELLANEOUS.			
6,000	Riggs Realty (long)	88	88
1,000	Riggs Realty (short)	94	94
100	District of Columbia 3 1/2%	90	90
STOCKS			
PUBLIC UTILITIES.			
4,581	Capital Traction	82 1/2	88 1/2
2,498	Washington Gas	88	87 1/2
2	N. & W. Steamboat	180	180
1,622	Wash. Rwy. & Elec. com.	21 1/2	21 1/2
2,269	Wash. Rwy. & Elec. pd.	51	64
226	Wash.-Va. Rwy. com.	1	1
30	Wash.-Va. Rwy. pd.	56	56
NATIONAL BANK.			
40	Commercial National Bank	167 1/2	167
20	District National Bank	169	170
37	Farmers & Mechanics National Bank	240	240
87	Federal National Bank	168 1/2	168 1/2
9	Liberty National Bank	121 1/2	121 1/2
130	National Bank of Washington	180	180
30	National Metropolitan Bank	220	220
22	Riggs National Bank	460	460
13	Second National Bank	145	145
TRUST COMPANY.			
121	American Security & Trust	225	215
607	Continental Trust	109	109
160	National Savings & Trust	260	260
170	Union Trust	120 1/2	118 1/2
80	Washington Loan & Trust	265	250
SAVINGS BANK.			
2	East Washington Savings Bank	12 1/2	12 1/2
10	Merchants Bank	152	152
60	Security Savings & Commercial Bank	195	195
17	Union Savings	112	112
6	Washington Mechanics	25	25
FIRE INSURANCE.			
40	Corcoran Fire Insurance	95	95
75	Farmers' Fire Insurance	20	20
6	National Union Fire Insurance	7	7
TITLE INSURANCE.			
460	Columbia Title Insurance	5	5
23	Real Estate Title Insurance	77	77
MISCELLANEOUS.			
56,100	Col. Graphophone com.	9	13 1/2
1,206	Mergenthaler Linotype	60	60
100	Old Dutch Market pd.	120	120
1,326	Langston Monotype	7	7
5	Security Storage Co.	75	75
142	Washington Market	212	212

SAFE AND SUCCESSFUL
MARKET TRADING

OUR LATEST BOOKLET WHICH IS NECESSARY FOR TRADING TO THE SEASONED VETERAN OF WALL ST. AND FOR THE BEGINNER FREE ON REQUEST.

Ask for No. 49

C. GOLDHURST & CO.

50 BROAD ST. NEW YORK

Fastest Service in Baltimore

KARDS & BURKE

American Building Baltimore

Phone Calvert 1900

The Next Boom in
the Oil Industry

At the present time, there are clear indications pointing to approximately when the next oil boom may be expected, and inasmuch as this subject is of vital importance to every holder of oil shares, as well as to those contemplating the purchase of stocks in this group, we have prepared a forecast of what may be anticipated.

Ask for WT-79

E. M. Fuller & Co.

Members of Consolidated Stock Exchange of N. Y.

50 Broad St. New York

Chicago Cleveland Philadelphia Boston

Newark Pittsburgh (Direct Phone Wires)

Telephone Main 8513

Security Traders
Association

200 Broadway

New York, N. Y.

Has Opened a

Washington Office

In the

Homer Building

13th Street Northwest

Where you are invited to investigate the advantages of buying meritorious stocks and bonds listed on the New York Stock Exchange under arrangements that insure the taking of profits without a disproportionate outlay of capital.

Timely articles

that every trader should read:

—Effect of Disarmament Conference on Market?

—Most popular stocks in recent Market Advance

—South American Oil situation, with map

There are 16 pages of live news and price records on many active upward pointing Industrial Oil and Mining Stocks—in

this week's issue

Investor & Trader

Copy on request.

Ask for M